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## BTS Data

BTS 21-17

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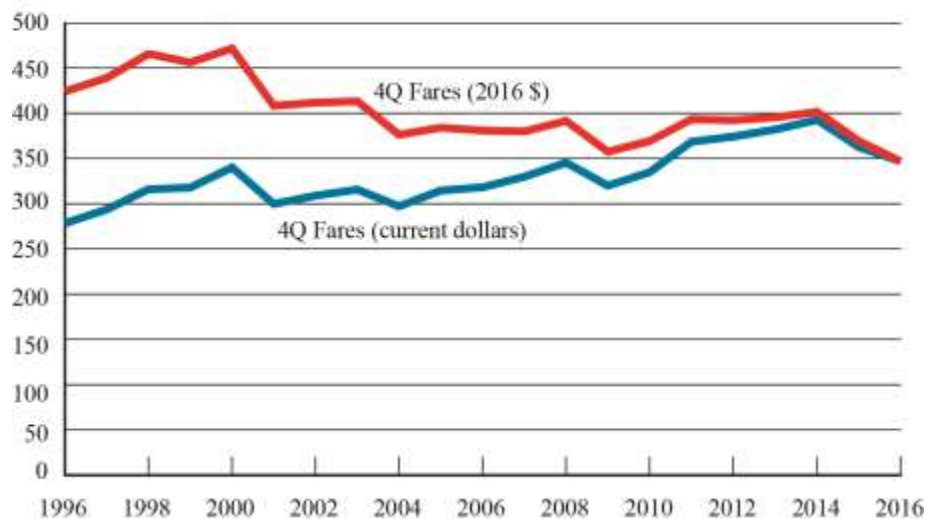
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### 4th-Quarter 2016 Air Fare Data

The average domestic air fare decreased to \$347 in the fourth quarter of 2016, down 6.1 percent from \$369 in the fourth quarter of 2015, adjusted for inflation (Table 1), the U.S. Department of Transportation's Bureau of Transportation Statistics (BTS) reported today.

Figure 1. U.S. Average Domestic Fares, 4th Quarter 1995-2016



Source: Bureau of Transportation Statistics, [BTS Air Fares, Origin and Destination Survey](#)

BTS reports average fares based on domestic itinerary fares. Itinerary fares consist of round-trip fares, unless the customer does not purchase a return trip. In that case, the one-way fare is included. One-way trips accounted for 36 percent of fares calculated for the fourth quarter of 2016. The average unadjusted domestic one-way air fare was \$241 in the fourth quarter of 2016, while the average unadjusted round-trip air fare was \$422. Fares are based on the total ticket value, which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include fees for optional services, such as baggage fees. Averages do not include frequent-flyer or "zero fares." Constant 2016 dollars are used for inflation adjustment.

### **Inflation-Adjusted Air Fares**

Fourth-quarter fares were the lowest fourth-quarter fares since BTS began reporting fares in 1995, down 3.0 percent from the previous low of \$357 in 2009 (Table 1). They were the lowest for any quarter since \$344 in the third quarter of 2009.

The fourth-quarter 2016 fare was down 26.5 percent from the average fare of \$472 in 2000, the highest inflation-adjusted fourth quarter average fare recorded in the 21 years since BTS began collecting air fare records in 1995. Since 1995, inflation-adjusted fares declined 23.4 percent (Table 2). See [BTS Air Fare web page](#) for historic data.

In recent years, airlines have obtained additional revenue from fees charged to passengers, as well as from other sources. U.S. passenger airlines collected 74.7 percent of their total revenue from passenger fares during the third quarter of 2016, down from 87.6 percent in 1995. Third-quarter data are the most recent available (Table 1A).

### **Quarter-to-Quarter Change**

The fourth-quarter 2016 average fare of \$347 was down 13.7 percent from the recent peak of \$402 in the fourth quarter of 2014 (Table 3).

### **Annual Fares**

The average 2016 inflation-adjusted fare of \$349 was down 8.5 percent from \$382 in 2015. The 2016 average was the lowest since 2009 and was down 26.1 percent from the all-time annual high of \$472 in 2000. Unadjusted, the 2016 average fare of \$349 was up 12.5 percent from the post-recession low of \$310 in 2009 but down 10.9 percent from the recent peak of \$392 in 2014. See [Annual Fares](#).

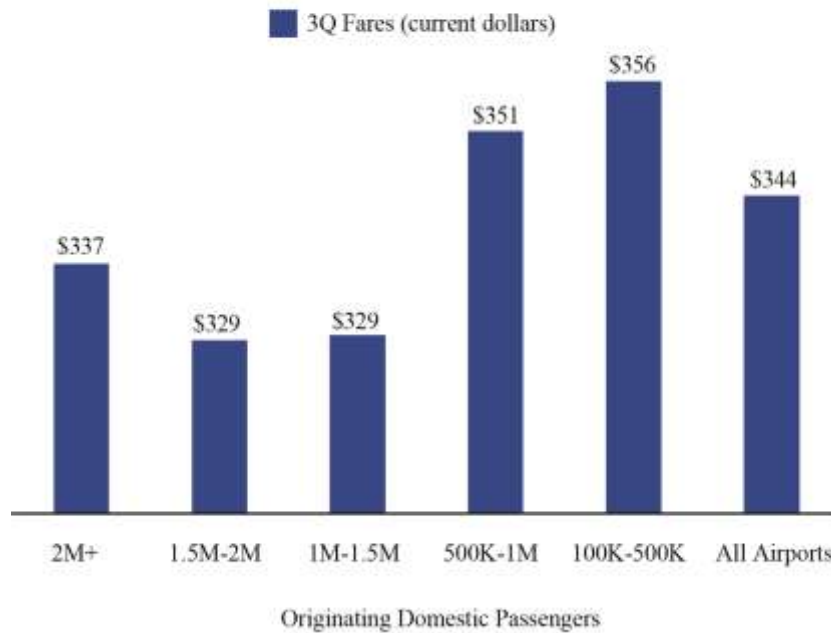
### **Unadjusted Air Fares**

The \$347 fourth-quarter 2016 average fare was down 12.5 percent from the third quarter 2014 fare of \$396, which was the highest unadjusted average fare for any quarter since 1995. Since 1995, unadjusted fares rose 20.5 percent compared to a 57.2 percent increase in overall consumer prices (Table 4).

Fourth-quarter 2016 fares were up slightly, 0.8 percent, from the third-quarter 2016, the first quarter-to-quarter increase since the third-quarter of 2014. From that quarter until the third quarter of 2016, fares declined by 13.2 percent (Table 5). See [Air Fares](#) for historical data.

## Fares by Airport

Figure 2. Fares by Airport Group based on Number of Originating Domestic Passengers 3Q 2016



Of airports grouped by the number of originating passengers in the fourth quarter of 2016, the 6 airports with between 50,000 and 99,999 originating passengers had the highest average fares (\$400). Airports with 1.0 to 1.49 million originating passengers had the lowest average fares of any group (\$329) (Table 6).

Tables listing the airports by group can be found on the [BTS Air Fare web page](#).

For additional data, see [Top 100 Airports](#) or [All Airports](#). Since average fares are based on the [Origin and Destination Survey](#) 10 percent ticket sample, averages for airports with smaller samples may be less reliable. Fares for Alaska, Hawaii and Puerto Rico airports are not included in rankings but are available on the web page. First-quarter 2017 average fare data will be released July 25.

Note: Results for average fares are based on the BTS Origin & Destination Survey, a 10 percent sample of airline tickets used during the quarter. For results based on all itinerary fares, the standard error is 0.30. The 90 percent confidence interval ranges from \$346.22 to \$347.21. For results based on round-trip fares, the standard error is 0.37. The 90 percent confidence interval ranges from \$421.79 to \$423.00. For results based on one-way fares, the standard error is 0.37. The 90 percent confidence interval ranges from \$240.27 to \$241.47.

**Table 1. 4th Quarter Average Fare 1995-2016, Adjusted for Inflation**

<b>Year</b>	<b>Average Fare in constant 2016 dollars (\$)</b>	<b>Year-to-Year Percent Change in Average Fare (4Q to 4Q) (%)</b>	<b>Cumulative Percent Change in Average Fare (4Q 1995 to 4Q of each year) (%)</b>
1995	452		
1996	424	-6.3	-6.3
1997	439	3.5	-3.0
1998	466	6.1	2.9
1999	456	-2.0	0.8
2000	472	3.4	4.3
2001	408	-13.4	-9.7
2002	412	0.8	-9.0
2003	413	0.3	-8.7
2004	376	-8.9	-16.8
2005	384	2.1	-15.1
2006	381	-0.8	-15.8
2007	380	-0.3	-16.1
2008	392	3.1	-13.5
2009	357	-8.7	-21.0
2010	369	3.4	-18.4
2011	393	6.5	-13.0
2012	392	-0.3	-13.3
2013	396	0.8	-12.6
2014	402	1.5	-11.2
2015	369	-8.1	-18.4
2016	347	-6.1	-23.4

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

**Table 1A. Passenger Airline Revenue from Fares 1990-2016**

<b>Year</b>	<b>Revenue from Passenger Fares as Percent of Total Scheduled Passenger Airline Operating Revenue* (%)</b>
<b>1990</b>	88.5
<b>1995</b>	87.6
<b>2000</b>	88.9
<b>2001</b>	87.8
<b>2002</b>	87.1
<b>2003</b>	84.9
<b>2004</b>	80.6
<b>2005</b>	78.4
<b>2006</b>	77.6
<b>2007</b>	77.7
<b>2008</b>	75.9
<b>2009</b>	73.7
<b>2010</b>	74.8
<b>2011</b>	74.6
<b>2012</b>	74.1
<b>2013</b>	74.6
<b>2014</b>	74.8
<b>2015</b>	74.7
<b>2016 (1Q)</b>	73.7
<b>2016 (2Q)</b>	74.3
<b>2016 (3Q)</b>	74.7

Source: Bureau of Transportation Statistics, P-1.2

\* From [Schedule P-1.2](#): Passenger Revenue (Fares) (Acct 3901) as a percentage of Total Operating Revenues (4999).

**Table 2. Percent Changes to 2016 in Average Domestic Average Fares Since 1995**  
(4th Quarter to 4th Quarter)

Since 4th Quarter of ...	Duration in Years	Average Fare in constant 2016 dollars (\$)	Percent Change in Average Fare to 4th Quarter 2016 (%)
<b>2016</b>		347	
<b>2015</b>	1	369	-6.1
<b>2014</b>	2	402	-13.7
<b>2013</b>	3	396	-12.4
<b>2012</b>	4	392	-11.6
<b>2011</b>	5	393	-11.9
<b>2010</b>	6	369	-6.1
<b>2009</b>	7	357	-3.0
<b>2008</b>	8	392	-11.4
<b>2007</b>	9	380	-8.7
<b>2006</b>	0	381	-9.0
<b>2005</b>	11	384	-9.8
<b>2004</b>	12	376	-7.9
<b>2003</b>	13	413	-16.1
<b>2002</b>	14	412	-15.8
<b>2001</b>	15	408	-15.1
<b>2000</b>	16	472	-26.5
<b>1999</b>	17	456	-24.0
<b>1998</b>	18	466	-25.5
<b>1997</b>	19	439	-21.0
<b>1996</b>	20	424	-18.2
<b>1995</b>	21	452	-23.4

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

**Table 3. Inflation-Adjusted Average Domestic Airline Fares by Quarter**  
Average Fare and Percent Change by Quarter

Quarter/Year	Average Domestic Fare (2016\$)	
	Average Fare in constant 2016 dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
4Q 2014	402	-0.1
1Q 2015	399	-0.6
2Q 2015	392	-1.9
3Q 2015	377	-3.9
4Q 2015*	363	-4.0
1Q 2016*	361	-0.4
2Q 2016*	351	-3.0
3Q 2016*	344	-1.9
4Q 2016*	347	0.8

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers

\* Fares for the most recent four quarters are in current dollars, not adjusted for inflation.

**Table 4. Unadjusted 4th Quarter Average Fares, 1995-2016**

<b>Year</b>	<b>Average Fare in current dollars (\$)</b>	<b>Year-to-Year Percent Change in Average Fare (4Q to 4Q) (%)</b>	<b>Cumulative Percent Change in Average Fare (4Q 1995 to 4Q of each year) (%)</b>	<b>Inflation Rate from 1995 (Dec 1995 to Dec of each year)</b>
<b>1995</b>	288	N/A	N/A	N/A
<b>1996</b>	278	-3.3	-3.3	3.2
<b>1997</b>	294	5.5	2.0	5.1
<b>1998</b>	316	7.7	9.9	6.7
<b>1999</b>	318	0.6	10.5	9.5
<b>2000</b>	340	7.0	18.2	13.3
<b>2001</b>	300	-11.8	4.2	15.4
<b>2002</b>	309	3.0	7.3	17.9
<b>2003</b>	316	2.2	9.7	20.2
<b>2004</b>	297	-5.9	3.3	24.2
<b>2005</b>	315	5.9	9.4	28.8
<b>2006</b>	318	1.1	10.6	31.3
<b>2007</b>	330	3.6	14.6	36.5
<b>2008</b>	345	4.7	20.0	38.7
<b>2009</b>	320	-7.4	11.1	40.7
<b>2010</b>	335	4.7	16.3	42.5
<b>2011</b>	368	10.0	28.0	47.2
<b>2012</b>	374	1.6	30.0	50.0
<b>2013</b>	382	2.1	32.8	51.8
<b>2014</b>	393	2.8	36.4	53.7
<b>2015</b>	363	-7.7	26.0	54.4
<b>2016</b>	347	-4.4	20.5	57.2

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)

Note: Percent change based on unrounded numbers



**Table 5. Unadjusted Average Domestic Airline Fares by Quarter**  
Average Fare and Percent Change by Quarter

Average Domestic Fare (current\$)		
Quarter/Year	Average Fare in current dollars (\$)	Quarter-to-Quarter Percent Change in Average Fare (%)
4Q 2014	393	-0.9
1Q 2015	388	-1.1
2Q 2015	386	-0.6
3Q 2015	372	-3.7
4Q 2015	363	-2.5
1Q 2016	361	-0.4
2Q 2016	351	-2.9
3Q 2016	344	-1.9
4Q 2016	347	0.8

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)  
Note: Percent change based on unrounded numbers

**Table 6. Fares at Airports Grouped by Originating Passengers**  
Top 100 Airports\* Based on 4Q2016 U.S. Originating Domestic Passengers

Airport Groups based on 4Q 2016 Originating Passengers	Average Fare 4th Quarter 2016 (\$)	Percent of Total Passengers
2 million+	344	22
1.5-1.99 million	344	18
1.0-1.49 million	329	21
500-999,000	342	23
100-499,000	348	15
50-99,999	400	1
<b>Average Fare at All Airports</b>	<b>347</b>	<b>100</b>

Source: Bureau of Transportation Statistics, [BTS Air Fares](#) and [Origin and Destination Survey](#)  
\* Not including Alaska, Hawaii or Puerto Rico